If you are in any doubt as to any aspect of this supplemental circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Shandong International Trust Co., Ltd.**, you should at once hand this supplemental circular and the accompanying proxy form to the purchaser or transferee or to the bank or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this supplemental circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this supplemental circular.

LUCION

Shandong International Trust Co., Ltd.
山東省國際信託股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1697)

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR DATED 10 JUNE 2026 CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE LOAN FRAMEWORK AGREEMENT AND SUPPLEMENTAL NOTICE OF 2025 ANNUAL GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

Lego Corporate Finance Limited
力高企業融資有限公司

This supplemental circular should be read together with the circular of the Company dated 10 June 2026 in relation to the convening of the AGM. A supplemental notice dated 15 June 2026 notifying the AGM to be held as originally scheduled at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. is set out on pages 44 to 45 of this supplemental circular. A supplemental proxy form for use is enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sitic.com.cn). If you intend to appoint a proxy to attend the AGM, you are requested to complete, sign and return the enclosed supplemental proxy form in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. by 3:00 p.m. on Monday, 29 June 2026). Completion, signing and return of the supplemental proxy form will not preclude you from attending and voting in person at the AGM.

15 June 2026

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In this supplemental circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"AGM"	the annual general meeting for the year 2025 of the Company to be held at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. and any adjournment thereof (as the case may be)
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"CCT Announcement"	the announcement of the Company dated 13 February 2026 in relation to the Loan Framework Agreement
"Circular"	the circular of the Company dated 10 June 2026
"Company"	Shandong International Trust Co., Ltd. (山東省國際信託股份有限公司), a joint stock company established in the PRC with limited liability, whose H Shares are listed on the Hong Kong Stock Exchange (Stock Code: 1697)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"CTPF"	China Trust Protection Fund Co., Ltd., a banking financial institution established with the consent of the State Council of the PRC and the approval of the national financial regulatory authorities
"Director(s)"	director(s) of the Company

"Domestic Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, which is/are subscribed for or credited as paid up in Renminbi
"Group"	the Company and the trust schemes over which it has control
"H Share(s)"	ordinary share(s) of the Company with a nominal value of RMB1.00 each, traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	the independent board committee of the Company (comprising all independent non-executive Directors) established to advise the Independent Shareholders in respect of the Loan Framework Agreement and the proposed annual caps
"Independent Financial Adviser" or "Lego Corporate Finance"	Lego Corporate Finance Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), acting as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Loan Framework Agreement and the proposed annual caps
"Independent Shareholder(s)"	Shareholders that are not required to abstain from voting at the AGM to consider and approve the Loan Framework Agreement and the proposed annual caps
"Latest Practicable Date"	12 June 2026, being the latest practicable date prior to the printing of this supplemental circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Loan"	the loan to be granted by Lucion Group to the Company under the Loan Framework Agreement
"Loan Framework Agreement"	the loan framework agreement dated 13 February 2026 entered into by the Company and Lucion Group
"Lucion Group"	Shandong Lucion Investment Holdings Group Co., Ltd. (山東省魯信投資控股集團有限公司), a limited liability company established in the PRC, the controlling shareholder of the Company
"NFRA"	the National Financial Regulatory Administration (國家金融監督管理總局)
"PRC" or "China"	the People's Republic of China but excluding, for the purposes of this supplemental circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC
"Securities and Futures Ordinance"	Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong)
"Shandong High-Tech"	Shandong High-Tech Venture Capital Co., Ltd. (山東省高新技術創業投資有限公司), a limited company established in the PRC and a subsidiary of Lucion Group
"Share(s)"	the share(s) in the share capital of the Company with a nominal value of RMB1.00 each
"Shareholders"	registered holders of the Share(s)
"%"	per cent

The English names of the PRC entities included in this supplemental circular are unofficial translations of their Chinese names and are included for identification purposes only.

LUCION

Shandong International Trust Co., Ltd.
山東省國際信託股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1697)

Executive Director:
Mr. Yue Zengguang *(Chairperson)*

Non-executive Directors:
Mr. Chen Liuyi *(Vice-chairperson)*
Mr. Chen Xuebin

Independent Non-executive Directors:
Ms. Zhang Haiyan
Mr. Zheng Wei
Ms. Liu Wanwen

Registered office:
Partial area of 1/F, 2/F and 13/F
32-35/F and 40/F, Tower A
No. 2788 Aoti West Road
Lixia District
Jinan, Shandong Province
PRC

Principal place of business in Hong Kong:
31/F, Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

15 June 2026

To the Shareholders

Dear Sir or Madam,

SUPPLEMENTAL CIRCULAR TO THE CIRCULAR DATED 10 JUNE 2026 CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE LOAN FRAMEWORK AGREEMENT AND SUPPLEMENTAL NOTICE OF 2025 ANNUAL GENERAL MEETING

I. INTRODUCTION

This supplemental circular should be read together with the Circular. Reference is made to the CCT Announcement in relation to, among other things, the Loan Framework Agreement entered into between the Company and Lucion Group for a term from the effective date of the Loan Framework Agreement until 31 December 2028.

The purpose of this supplemental circular is to give you a supplemental notice of the AGM, which is set out on pages 44 to 45 of this supplemental circular, and to provide you with, among other things, information in respect of the resolution to be proposed at the AGM to enable you to make informed decisions on voting on the resolution as described below. At the AGM, an ordinary resolution will be proposed to consider and approve the Loan Framework Agreement and the proposed annual caps.

II. CONTINUING CONNECTED TRANSACTION – LOAN FRAMEWORK AGREEMENT

1. Loan Framework Agreement

The Company entered into the Loan Framework Agreement with Lucion Group on 13 February 2026 for a term from the effective date of the Loan Framework Agreement until 31 December 2028. The outstanding financing (including accrued interest) under the Loan Framework Agreement shall not exceed RMB1,200 million.

A summary of the principal terms of the Loan Framework Agreement is set forth below:

Date:	13 February 2026
Parties:	(i) the Company; and (ii) Lucion Group
Amount:	Lucion Group shall provide loans to the Company, and the outstanding financing (including accrued interest) under the Loan Framework Agreement shall not exceed RMB1,200 million.
Term and repayment arrangements:	The term of the Loan Framework Agreement shall be from the effective date of the Loan Framework Agreement until 31 December 2028. The term of each Loan shall commence from the relevant remittance date and cease on the date as agreed in the specific agreements entered into between Lucion Group and the Company, provided that all outstanding principal amount of each specific Loan and its accrued interest under the Loan Framework Agreement shall be repaid by the Company in accordance with the terms of the loan agreements upon the maturity of the corresponding Loan. The Company may also apply to Lucion Group for renewal based on its operational needs to continuously supplement the liquid funds of the Company, provided that the final actual repayment term shall not exceed the term of the Loan Framework Agreement.

Interest rate : The interest rate of the Loan is determined based on a benchmark not lower than the average financing cost of Lucion Group at the time each Loan is granted, plus a certain percentage of mark-up on top of such benchmark. The mark-up portion is calculated at 70% of the difference between the latest quotation of one-year liquidity support loan from CTPF at the relevant time and the average financing cost of Lucion Group, namely loan interest rate = average financing cost of Lucion Group + (latest quotation rate of one-year liquidity support borrowings from CTPF – average financing cost of Lucion Group) x 70%.

Credit Enhancement Measures : Lucion Group and the Company shall entered into specific agreements and corresponding pledge documents respectively in respect of the relevant drawdown.

The Company provides a pledge guarantee for its obligations to repay the principal and interest accrued thereupon of the borrowings under the Loan Framework Agreement, using the A shares of China Zheshang Bank Co., Ltd. ("**CZ Bank**") held by it. The A shares and H shares of CZ Bank are listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange (A share stock code: 601916, H share stock code: 2016), respectively. As at 31 March 2026, the Company held 808,319,565 A shares of CZ Bank. The quantity of pledged shares is determined based on the actual principal amount of the Loan and a pledge rate of no more than 80%, and specifically calculated using the lowest value among the closing price of the underlying shares on the date of pledge registration, the arithmetic average of the closing prices for the past 20 trading days (excluding the registration date) prior to the date of pledge registration, and the arithmetic average of the closing prices for the past 60 trading days (excluding the registration date) prior to the date of pledge registration as the valuation benchmark.

If the Company fails to repay any overdue amount under the specific loan agreements within the Loan Framework Agreement, or the pledge rate exceeds the level agreed by the parties and the Company fails to take effective measures, or there are material changes in the business operations of the Company such that Lucion Group considers its creditor's rights to be adversely affected, Lucion Group shall be entitled to exercise its pledge rights, and the pledged assets shall be discounted or the proceeds from the auction or sale of the pledged assets shall be used to repay the overdue amount in accordance with the laws and regulations, or other measures to realise the pledge rights shall be taken in accordance with the laws and regulations. If the pledge rate exceeds the upper limit agreed by both parties, Lucion Group shall be entitled to unilaterally require the Company to take one or more measures such as providing additional pledge, prepaying part or all of the debts, or providing other guarantee methods approved by Lucion Group, and the Company shall complete the corresponding adjustments within five business days after receiving the notice from Lucion Group. If the pledge rate is lower than the agreed minimum limit, the Company may submit a written application for release of pledge to Lucion Group to apply for the release of the excess portion of the pledged assets.

Conditions for Effectiveness :

The Loan Framework Agreement shall become effective upon the satisfaction of the following conditions:

(i) the legal representatives or authorized representatives of the parties have signed the Loan Framework Agreement with their seals affixed;

(ii) Lucion Group has obtained all applicable approvals for the entering into of the Loan Framework Agreement; and

(iii) the Company has obtained all applicable approvals for the entering into of the Loan Framework Agreement, including compliance with the disclosure and approval procedures required by the applicable Listing Rules (including obtaining Independent Shareholders' approval).

2. Proposed annual caps and basis of determination

The following table sets out the proposed annual caps for the transactions contemplated under the Loan Framework Agreement:

	For the year ending 31 December		
	2026	**2027**	**2028**
	(RMB million)		
Maximum outstanding financing balance (including accrued interest) of the Loans to be provided by Lucion Group to the Company	1,200	1,200	1,200

Lucion Group has not previously provided similar loans to the Company. The above proposed annual caps have been determined mainly after taking into account the following factors: (i) the Company plans to use the Loans to be provided by Lucion Group to the Company to replace the Company's existing financing with CTPF in an amount of approximately RMB700 million; and (ii) to supplement the Company's daily liquidity funding needs.

As at 31 December 2025, the Company's cash and cash equivalents were approximately RMB160.7 million, compared to approximately RMB476.7 million recorded as at 31 December 2024. The decrease in cash and cash equivalents was driven by the Company's efforts to enhance the synergy between its proprietary and trust businesses, which involved deploying proprietary funds to invest in trust schemes issued by the Company. In light of the Company's recent cash position and its anticipated business needs (as disclosed below), the Company requires liquidity to replenish its working capital, cover its operating and administrative expenses from time to time, and fund other expenditures to improve its information and technology system architecture.

The Company's operating and administrative expenses for the three years ended 31 December 2023, 2024 and 2025 were RMB269 million, RMB295 million and RMB290 million, respectively. These funds were primarily utilised to cover routine expenditures, such as staff remuneration, office overheads and business development costs required for day-to-day operations. For the year ended 31 December 2025, the Company recorded staff remuneration expenses of approximately RMB172 million, office overheads of approximately RMB24 million, and business development costs of approximately RMB94 million. Please refer to the Company's annual reports for details of the Company's operating and administrative expenses. The Company expects its operating and administrative expenses to remain stable in the coming financial years.

The *Several Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-Quality Development of the Trust Industry* issued by the NFRA require trust companies to strengthen their investment, research and wealth management capabilities, whilst enhancing the supporting role of information technology. Against this backdrop, the Company plans to continuously increase its technology investment over the coming years, with an estimated expenditure of approximately RMB150 million and the following allocations:

1) System Construction and Technological Support for Key Business Sectors (Estimated Expenditure: RMB75 million)

The Company intends to focus on the core areas of service trusts and wealth management by building professional, standardised technological platforms to support business scaling and innovative growth. Specific initiatives include developing a comprehensive service platform for family trusts, an administrative service trust system, a support platform for bankruptcy reorganisation service trusts, and a digital wealth management and intelligent marketing middle-office.

2) Intelligent Risk Control, Compliance, and Data Governance System (Estimated Expenditure: RMB45 million)

The Company aims to establish a risk and compliance management system centered on data-driven, intelligent "tech-driven prevention" and proactive early warnings. Specific initiatives include constructing an intelligent Anti-Money Laundering (AML) rule engine and platform, an enterprise-level data governance and security system, and a comprehensive risk management and compliance technology platform.

3) Investment and Application Exploration of AI Technology (Estimated Expenditure: RMB20 million)

The Company will leverage AI as a core empowering technology to improve operational efficiency, optimise customer experience, and drive business innovation. Specific initiatives include building AI capability platforms and infrastructure, launching AI application pilots tailored for specific business scenarios, and advancing AI research and development (R&D) alongside targeted talent cultivation.

4) IT Talent Pool Construction and Routine R&D (Estimated Expenditure: RMB10 million)

The Company will allocate these funds to secure the core human capital and continuous innovation vitality required to ensure the successful, long-term implementation of its corporate strategies.

Taking into account (i) the funds required to replace the Company's existing financing with CTPF, and (ii) the funds required to replenish the Company's working capital which will be covering its operating and administrative expenses from time to time and other expenditures for improving its information and technology system architecture, the Company considers that the proposal annual caps under the Loan Framework Agreement is fair and reasonable.

3. Reasons and benefits for entering into the Loan Framework Agreement

On 11 September 2025, the NFRA released the newly revised *Administrative Measures for Trust Companies* (《信託公司管理辦法》) (the "**Administrative Measures**"), which came into effect on 1 January 2026.

Before the Administrative Measures took effect in January 2026, the Company could only obtain external financing through the liquidity support loans granted by CTPF or engage in interbank borrowing. However, as explained below, interbank borrowing is short-term in nature and unable to meet the Company's liquidity needs.

According to Article 54 of the Administrative Measures, a trust company may, under its proprietary business, (i) engage in bond repurchase (sell buybacks) and interbank borrowing, (ii) apply for liquidity support loans from or conduct private bond placements with its shareholders and their affiliates, and (iii) apply for liquidity support loans from CTPF. Furthermore, Article 55 stipulates that when conducting proprietary business, trust companies must not incur any liabilities (including bank loans) via any methods other than those specified in Article 54.

The Company currently faces the following practical limitations in utilising these authorised financing channels:

(i) **Bond repurchase (sell buybacks) transactions:** The Company would need to hold eligible bonds that meet market standards for use as collateral to conduct such bond repurchase (sell buybacks) transactions. However, the Company currently does not hold such eligible bonds under its proprietary business segment. On the other hand, such financing transactions are short-term in nature and are insufficient to satisfy the Company's long-term liquidity needs.

(ii) **Interbank Borrowing:** Pursuant to Article 23 of the *Administrative Measures for Interbank Lending* (《同業拆借管理辦法》) issued by the People's Bank of China on 3 July 2007, the maximum term for funds borrowed by a trust company is seven days, which is too short to match the Company's liquidity needs.

(iii) **Private bond placements with its shareholders and their affiliates:** This requires rigorous regulatory approval and market filing procedures. This route is overly complex and time-consuming, failing to meet the Company's liquidity needs in a timely manner.

In light of the relevant regulatory requirements and practical constraints, the Company can currently obtain financing only by applying for liquidity support loans from CTPF or from its shareholders and their affiliates.

As disclosed in the principal terms of the Loan Framework Agreement, the interest rate of the Loan is determined based on a benchmark not lower than the average financing cost of Lucion Group at the time each Loan is granted, plus a specified mark-up. The mark-up portion is calculated at 70% (the "**Mark-up Rate**") of the difference between the latest quotation of one-year liquidity support loan from CTPF at the relevant time and the average financing cost of Lucion Group.

According to the internal capital management policies implemented by Lucion Group, when Lucion Group provides financial assistance to its non-wholly owned subsidiaries, the relevant interest rate should be determined based on a benchmark not lower than the average financing cost of Lucion Group at the time each loan is granted, plus a mark-up on top which is calculated as 70% of the difference between the average financing cost of the relevant subsidiary and the average financing cost of Lucion Group. The pricing mechanism under the Loan Framework Agreement is in line with that applicable to other non-wholly subsidiaries of Lucion Group.

Since the Company can only obtain financing by applying for liquidity support loans from CTPF other than from its shareholders and their affiliates, the "financing cost of the relevant subsidiary" of the Company would refer to the rate offered by CTPF to the Company. The Company has compared the interest rate determined under the Loan Framework Agreement with the rate offered by CTPF and has noted that the rate offered by Lucion Group under the Loan Framework Agreement is lower than the rate offered by CTPF under the current market conditions. Due to extremely limited financing channels, there are no direct comparable public market prices for the pricing of the loan interest rate. The Company believes that the above interest rate pricing mechanism (including the Mark-up Rate) is fair and reasonable, does not violate the relevant regulations of the People's Bank of China and the NFRA, and is in the interests of the Company and the Shareholders as a whole.

The pledge rate of no more than 80% was determined after arm's length negotiation between the Company and Lucion Group taking into account the relationship between the Company and Lucion Group, for which the Company has also considered the pledge rate prescribed under the *Administrative Measures for Stock-Pledged Repo Transactions, Registration and Settlement Business* (《股票質押式回購交易及登記結算業務辦法》) (the "**Stock-Pledged Repo Measures**") issued by the Shanghai Stock Exchange and China Securities Depository and Clearing Corporation Limited, which was promulgated to regulate stock-pledge financing transactions. Pursuant to Article 67 of the Stock-Pledged Repo Measures, securities companies shall determine and adjust the maximum pledge rate for underlying securities based on factors such as the quality of the underlying securities, the creditworthiness of the borrower, the term of the repurchase and any third-party guarantees, and the maximum pledge rate (ratio of the initial transaction amount to the market value of the pledged underlying securities) for stocks shall not exceed 60%.

Since the pledge rate under the Loan Framework Agreement is no more than 80%, which is significantly higher than the ratio prescribed under the Stock-Pledged Repo Measures, the Company considered that the pledge rate is on normal commercial terms or better in the interest of the Company. Due to the limited financing channels available to the Company as explained above, the Company is unable to obtain other market comparables for pledge rates.

The Company obtained the financing of RMB700 million for a period of three years from CTPF in 2024.

Based on the above pricing mechanism, for the Company's existing financing of RMB700 million from CTPF, if replaced by a loan under the Loan Framework Agreement, the Company could save financing costs of approximately RMB18 million per year (RMB700 million x (interest rate offered by CTPF at the time of grant + the rate of guarantee fee – interest rate under the Loan Framework Agreement)).

Assuming that the Company will obtain a loan of RMB1,200 million, based on the difference between (i) the current fee rate of one-year liquidity support loans from CTPF, and (ii) the interest rate under the Loan Framework Agreement, the Company could save financing costs of approximately RMB7 million per year (RMB1,200 million x (current interest rate of one-year liquidity support loans from CTPF + the rate of guarantee fee – interest rate under the Loan Framework Agreement)).

Having considered the abovementioned factors, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the Loan Framework Agreement are in the Company's ordinary and usual course of business and are under normal commercial terms, and that the terms of the Loan Framework Agreement and the proposed annual caps are determined on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

4. Implications under the Listing Rules

As at the Latest Practicable Date, since Lucion Group is the controlling shareholder of the Company holding directly and indirectly approximately 52.96% of the total issued shares of the Company, it is a connected person of the Company and the Loan Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the proposed annual caps of the transactions contemplated under the Loan Framework Agreement is more than 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, none of the Directors has any material interest in the Loan Framework Agreement. However, as Mr. Yue Zengguang (an executive Director) was nominated by Lucion Group to serve as a Director of the Company, he has voluntarily abstained from voting on the relevant resolution approving the Loan Framework Agreement at the Board meeting. Except for Mr. Yue, no other Directors abstained from voting on the relevant resolution.

Lucion Group, as the controlling shareholder of the Company, directly holds approximately 48.13% of the issued Shares of the Company and indirectly holds approximately 4.83% through Shandong High-Tech. As Lucion Group has material interests in the Loan Framework Agreement, Lucion Group and its associate, Shandong High-Tech (holding 52.96% of the issued Shares in aggregate) shall abstain from voting on the resolution approving the Loan Framework Agreement and the proposed annual caps at the AGM. Except for Lucion Group and Shandong High-Tech, no other Shareholders are required to abstain from voting on the relevant resolution.

5. Information of the parties

The Company

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1697). The Company is principally engaged in the provision of comprehensive financial service and wealth management service.

Lucion Group

Lucion Group is a limited liability company established on 31 January 2002 in the PRC, which is an investment holding company and an investment entity and state-owned asset operation agency authorized by the Shandong Provincial Government. Lucion Group is an important entity for the management of state-owned asset investment and financing in Shandong Province, and is mainly engaged in three core business segments, namely natural gas sales and related businesses, financial services and other businesses (including abrasives, printing, water pollution control, etc.). Lucion Group is owned as to 90.75% and 9.25% by the Shandong Province Finance Bureau and Shandong Caixin Assets Operation Co., Ltd. (山東財欣資產運營有限公司), respectively. Shandong Caixin Assets Operation Co., Ltd. is wholly-owned by the Shandong Province Finance Bureau. Lucion Group is the controlling shareholder of the Company.

6. Internal control measures

As disclosed above, considering the relevant regulatory requirements and practical limitations, the Company can currently secure financing only by applying for liquidity support loans from CTPF or from its shareholders and their affiliates.

When conducting financing activities, the Company will take into account several factors, including but not limited to: (i) interest rate offers from available financing sources (i.e. Lucion Group and CTPF); (ii) necessary credit enhancement measures for financing, such as guarantees or collateral requirements; (iii) how well the financing term aligns with the Company's operational needs; and (iv) the timing of principal and interest repayments. After thoroughly evaluating these considerations, the Company will choose the financing option that is most beneficial. In cases where interest rates, credit enhancement measures, financing terms, financing amounts, and other elements are the same or very similar, the Company will prioritise financing from CTPF to minimise connected transactions. In case that the Company decides to seek financing from Lucion Group under the Loan Framework Agreement, the Company will ensure that the terms obtained from Lucion Group at the relevant time are more beneficial to the Company as compared to the terms offered by CTPF, and that the transactions with Lucion Group will be conducted in accordance with the terms under the Loan Framework Agreement. In terms of the pledge requirements under the Loan Framework Agreement, since the pledge rate under the Loan Framework Agreement is no more than 80%, which is significantly higher than the ratio prescribed under the Stock-Pledged Repo Measures, the Company considers that the pledge rate is on normal commercial terms or better in the interest of the Company.

The Company has implemented internal control procedures and policies on connected transactions to monitor connected transactions and ensure that all connected transactions are entered into in accordance with the pricing policies, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company has prepared and implemented the Measures for Management of Related Party Transactions which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Company with applicable laws and regulations (including the Listing Rules) in relation to connected transactions.

Upon each drawdown and renewal (if necessary), the Company shall fulfill the relevant approval procedures in accordance with the provisions of the Company's policies, such as the General Manager's Office meeting of the Company, and after fulfilling the business and contract approval procedures of the Company, enter into the corresponding loan agreement(s) with Lucion Group.

The finance management department and office of the Board of the Company will closely monitor the loans under the Loan Framework Agreement on a daily basis to ensure that they are conducted in accordance with the terms of the Loan Framework Agreement (including but not limited to the pricing mechanisms and the pledge rate). They will also monitor the transaction amounts under the Loan Framework Agreement and interest payable from time to time so as to ensure that the loan amounts will not exceed the proposed annual caps for each financial year. The Company will set an alert amount (i.e. RMB1,000 million) when the amount is about to reach the annual cap in case that the total transaction amount is expected to exceed such annual caps, so that the Company could timely re-comply with the requirements under Chapter 14A of the Listing Rules.

The Company shall, in accordance with laws and regulations, the Accounting Standards for Business Enterprises and relevant regulatory requirements, account for the borrowings from Lucion Group in the financial statements of the Company, and make disclosures in documents such as annual reports and interim reports in accordance with the Listing Rules. In addition, the external auditors of the Company will review the transactions contemplated under the Loan Framework Agreement on an annual basis to check and confirm, among other things, whether the transactions have been entered into in accordance with the pricing terms and whether they have exceeded the proposed annual caps.

The Directors consider that the Company has established adequate internal control measures to ensure that the transactions under the Loan Framework Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

7. Independent Board Committee

The Independent Board Committee has been formed by the Company to consider, and to advise the Independent Shareholders of the Company on the transactions to be contemplated under the Loan Framework Agreement and the proposed annual caps. The Company has appointed Lego Corporate Finance to make recommendations to the Independent Board Committee and the Independent Shareholders of the Company on the fairness and reasonableness of the Loan Framework Agreement and the proposed annual caps. A letter from the Independent Board Committee to the Independent Shareholders is set out on pages 18 to 19 of this supplemental circular. The letter from the Independent Board Committee to the Independent Shareholders contains its recommendation on the Loan Framework Agreement and the proposed annual caps.

Having considered the factors mentioned above and the fact that the transactions contemplated under the Loan Framework Agreement will be conducted in the ordinary and usual course of business and on normal commercial terms, the independent non-executive Directors are of the view that the Loan Framework Agreement and the proposed annual caps are determined on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

8. Independent Financial Adviser

The Company has appointed Lego Corporate Finance as the Independent Financial Adviser for providing advice to the Independent Board Committee and the Independent Shareholders on whether the Loan Framework Agreement and the proposed annual caps are fair and reasonable, and whether the transactions contemplated under the Loan Framework Agreement are in the interests of the Company and the Shareholders as a whole. A letter from Lego Corporate Finance to the Independent Board Committee and the Independent Shareholders is set out on pages 20 to 38 of this supplemental circular. The letter from Lego Corporate Finance to the Independent Board Committee and the Independent Shareholders contains factors they have considered and their recommendations on the Loan Framework Agreement and the proposed annual caps.

III. AGM

A supplemental notice dated 15 June 2026 notifying the AGM to be held as originally scheduled at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. is set out on pages 44 to 45 of this supplemental circular.

Please refer to the notice of the AGM dated 10 June 2026 for details of other resolutions to be proposed and tabled before the AGM, eligibility for attending the AGM, registration procedures for attending the AGM, appointment of proxy, voting by way of poll and other relevant matters.

A supplemental proxy form for use at the AGM is enclosed herewith and also published on both the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sitic.com.cn). If you intend to appoint a proxy to attend the AGM, you are requested to complete, sign and return the enclosed supplemental proxy form in accordance with the instructions printed thereon no less than 24 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. by 3:00 p.m. on Monday, 29 June 2026). Completion, signing and return of the supplemental proxy form will not preclude you from attending and voting in person at the AGM.

IV. LISTING RULES REQUIREMENTS

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll. All resolutions at the AGM will be voted by way of poll. The chairperson of the AGM shall therefore demand voting on the resolution set out in the supplemental notice of the AGM be taken by way of poll pursuant to Article 80 of the Articles of Association. An announcement on the poll results will be published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sitic.com.cn), respectively by the Company after the conclusion of the AGM in the manner prescribed under the Listing Rules.

V. RECOMMENDATION

The Board considers that the transactions contemplated under the Loan Framework Agreement are in the Company's ordinary and usual course of business, and the terms of the Loan Framework Agreement and the proposed annual caps are determined on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolution to be proposed at the AGM as set out in the supplemental notice of the AGM.

Yours faithfully
By order of the Board
Shandong International Trust Co., Ltd.
Yue Zengguang
Chairperson

The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Loan Framework Agreement and the proposed annual caps.

LUCION

Shandong International Trust Co., Ltd.
山東省國際信託股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1697)

15 June 2026

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE LOAN FRAMEWORK AGREEMENT

We refer to the supplemental circular of the Company dated 15 June 2026 (the "**Supplemental Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Supplemental Circular, unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the Loan Framework Agreement and the proposed annual caps, and to give recommendation to the Independent Shareholders as to whether, in our opinion, the Loan Framework Agreement are in the Company's ordinary and usual course of business, whether the terms of the Loan Framework Agreement and the proposed annual caps are determined on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned, and whether they are in the interest of the Company and the Shareholders as a whole. Lego Corporate Finance has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Loan Framework Agreement and proposed annual caps.

We wish to draw your attention to the letter from the Board set out in the section of Letter from the Board in the Supplemental Circular which contains, among other things, information about the Loan Framework Agreement and the proposed annual caps, the letter of advice from Lego Corporate Finance set out in the section of Letter from Lego Corporate Finance in the Supplemental Circular which contains its advice in respect of the Loan Framework Agreement and the proposed annual caps, and the information set out in the appendix thereto.

Having considered the Loan Framework Agreement and the proposed annual caps and having taken into account the advice from Lego Corporate Finance as stated in its letter, we consider that the transactions contemplated under the Loan Framework Agreement are in the Company's ordinary and usual course of business and on normal commercial terms, and the terms of the Loan Framework Agreement and the proposed annual caps are determined on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the AGM in relation to the Loan Framework Agreement and the proposed annual caps.

Yours faithfully,
For and on behalf of
Independent Board Committee

Ms. Zhang Haiyan	**Mr. Zheng Wei**	**Ms. Liu Wanwen**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of a letter of advice from Lego Corporate Finance, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of incorporation into this circular, setting out its advice to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Loan Framework Agreement and the proposed annual caps.

Lego Corporate Finance Limited
力高企業融資有限公司

15 June 2026

To the Independent Board Committee and the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTION IN RELATION TO ENTERING INTO THE LOAN FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the Loan Framework Agreement, details of which are set out in the "Letter from the Board" (the "**Letter from the Board**") contained in the circular dated 15 June 2026 issued by the Company to the Shareholders (the "**Circular**"), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular, unless the context requires otherwise.

Reference is made to the announcement of the Company dated 13 February 2026 in relation to the transactions contemplated under the Loan Framework Agreement.

On 13 February 2026, the Company entered into the Loan Framework Agreement with Lucion Group for a term from the effective date of the Loan Framework Agreement until 31 December 2028. The outstanding financing (including accrued interest) under the Loan Framework Agreement shall not exceed RMB1,200 million.

LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, since Lucion Group was the controlling shareholder of the Company holding directly and indirectly approximately 52.96% of the total issued shares of the Company, it was a connected person of the Company, and the Loan Framework Agreement and the transactions contemplated thereunder constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the proposed annual caps of the transactions to be contemplated under the Loan Framework Agreement (the "**Proposed Annual Cap(s)**") is more than 5%, the transactions contemplated thereunder are subject to the reporting, announcement, annual review, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The EGM will be convened and held for the Independent Shareholders to consider and, if thought fit, approve the Loan Framework Agreement and transactions contemplated thereunder, and the Proposed Annual Caps.

THE INDEPENDENT BOARD COMMITTEE AND OUR INDEPENDENCE

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Zheng Wei, Ms. Zhang Haiyan, and Ms. Liu Wanwen have been established to advise the Independent Shareholders in respect of the Loan Framework Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps. As approved by the Independent Board Committee, we, Lego Corporate Finance, have been appointed as the Independent Financial Adviser to advice the Independent Board Committee and the Independent Shareholders in relation to the Loan Framework Agreement and the transactions contemplated thereunder as well as the Proposed Annual Caps.

As at the Latest Practicable Date, we, Lego Corporate Finance, did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to the independence of us in accordance with Rule 13.84 of the Listing Rules and accordingly, were qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Loan Framework Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps). During the last two years, we have acted as the independent financial adviser to the then independent board committee and independent shareholders of the Company in respect of its discloseable and connected transactions in relation to the transfers of fund interests, details of which were set out in the circular of the Company dated 21 October 2025 (the "**Previous IFA Appointment**"). The Previous IFA Appointment was limited to providing a one-off independent financial advisory service for which we received normal professional fees, which has been duly completed upon the convening of the respective extraordinary general meeting held on 7 November 2025. Accordingly, we are of the view that Previous IFA Appointment does not affect our independence in relation to the appointment as the Independent Financial Adviser in respect of the Loan Framework Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps. Apart from normal professional fees paid or payable to us in connection with the aforementioned appointment and the appointment as the Independent Financial Adviser, which is not conditional upon passing of the resolution to be proposed at the EGM, no arrangements exist whereby we have received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Given (i) our independent role in the Previous IFA Appointment; (ii) none of the

members of our parent group (i.e. LFG Investment Holdings Limited ("**LFG**") (stock code: 3938.hk) is a direct party to the Loan Framework Agreement; (iii) our fee for this current appointment with the Company, together with that for the Previous IFA Appointment, which are not conditional upon each other, represented an insignificant percentage of revenue of LFG, we consider that the Previous IFA Appointment would not affect our independence. As such, we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders in respect of the Loan Framework Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps.

BASIS OF OUR OPINION

In formulating our opinion and advice, we have relied on, amongst others, (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Company; (iii) the opinions expressed by and the representations of the Directors; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular were true at the time they were made and continued to be true as at the date of the Circular and all such statements of belief, opinions and intention of the Directors and the management of the Company (the "**Management**") and those as set out or referred to in the Circular were reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the Management. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Company and/or Directors and the Management were true, accurate, complete and not misleading in all material respects at the time they were made and continued to be so as at the Latest Practicable Date. Should there be any subsequent material changes which occur during the period from the Latest Practicable Date up to the date of the EGM to be advised by the Company, we will notify the Independent Board Committee and the Independent Shareholders as soon as practicable.

We consider that we have reviewed the relevant information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors or the Management, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company, Lucion Group or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our recommendations in respect of the Loan Framework Agreement and the transactions contemplated thereunder as well as the Proposed Annual Caps, we have considered the following principal factors and reasons:

1. Background Information on the Group and Lucion Group

(i) Information on the Group

The Company is a joint stock company established in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange (stock code: 1697). The Company is principally engaged in the provision of comprehensive financial service and wealth management service.

The following table summarises the consolidated financial information of the Group for the three years ended 31 December 2025 ("**FY2023**", "**FY2024**" and "**FY2025**") as extracted from the Company's annual reports for FY2024 (the "**2024 Annual Report**") and FY2025 (the "**2025 Annual Report**"):

	FY2025	**FY2024**	**FY2023**
	RMB'000	*RMB'000*	*RMB'000*
Total operating income	**722,413**	**904,977**	**1,190,457**
– Net interest income	(9,735)	(56,270)	100,235
– Net fee and commission income	423,206	455,105	766,122
– Investment income	205,648	67,155	72,373
– Gains from changes in fair value	69,042	414,594	212,740
Total operating costs	636,864	610,809	781,110
Operating profit	85,549	294,168	409,347
Total profit	76,707	213,594	290,150
Net profit	55,113	142,795	158,633

	As at 31 December		
	2025	**2024**	**2023**
	RMB'000	*RMB'000*	*RMB'000*
Total assets	13,678,647	14,279,338	14,168,884
Total liabilities	2,436,448	3,042,612	3,079,506
Net assets	11,242,199	11,236,726	11,089,378

For the year ended / as at 31 December 2024

The Group's total operating income decreased from approximately RMB1,190.5 million for FY2023 to approximately RMB905.0 million for FY2024, representing a decrease of approximately 24.0%. As disclosed in the 2024 Annual Report, such decrease was mainly attributable to the combined effects of (i) the decrease in net fee and commission income of approximately RMB311.0 million, mainly due to the transformation of the Company's trust business; and (ii) the recognition of net interest expenses of approximately RMB56.3 million for FY2024 as compared to the net interest income of approximately RMB100.2 recognised for FY2023, mainly due to the decrease in interest income derived from loans and advances to customers and debt investments, which were partially offset by the increase in gains from changes in fair value of approximately RMB201.9 million, mainly derived from the Group's financial assets held for trading such as equity investment in non-listed companies and stock investment in FY2024.

The Group recorded a decrease in net profit from approximately RMB158.6 million for FY2023 to approximately RMB142.8 million for FY2024, representing a decrease of approximately 10.0%. Such decrease was mainly attributable to the combined effects of (i) the decrease in the Group's total operating income as explained above; and (ii) the decrease in credit impairment losses of the Group from approximately RMB500.5 million for FY2023 to approximately RMB302.0 million for FY2024, as a result of the actual credit risk profile and previous provisions made.

As at 31 December 2024, total assets of the Group amounted to approximately RMB14,279.3 million, which mainly comprised of (i) debt investments of approximately RMB4,596.4 million; (ii) financial assets held for trading of approximately RMB4,372.5 million; (iii) loans and advances to customers of approximately RMB2,159.1 million; (iv) long-term equity investments of approximately RMB723.4 million; and (v) monetary assets of approximately RMB591.7 million. As at 31 December 2024, total liabilities of the Group amounted to approximately RMB3,042.6 million, which mainly comprised (i) other liabilities of approximately RMB2,402.7 million; (ii) short-term borrowings of approximately RMB280.5 million; (iii) provisions such as litigation compensation of approximately RMB166.5 million; and (iv) employee benefits payable of approximately RMB100.1 million. Other liabilities mainly comprised of net assets attributable to third-party trust beneficiaries of consolidated structured entities of approximately 870.6 million and non-current funds provided by CTPF of RMB700 million.

For the year ended / as at 31 December 2025

The Group's total operating income decreased from approximately RMB905.0 million for FY2024 to approximately RMB722.4 million for FY2025, representing a decrease of approximately 20.2%. As disclosed in the 2025 Annual Report, such decrease was mainly attributable to the combined effects of the decrease in gains from changes in fair value of approximately RMB345.6 million, mainly due to the decrease in gains from changes in fair value of the Group's financial assets held for trading such as stock investment in 2025, which were partially offset by the increase in investment income of approximately RMB138.5 million, mainly attributable to the increase of investment income from holding financial assets.

The Group recorded a decrease in net profit from approximately RMB142.8 million for FY2024 to approximately RMB55.1 million for FY2025, representing a decrease of approximately 61.4%. Such decrease was mainly attributable to the combined effects of (i) the decrease in the Group's total operating income as explained above; and (ii) the increase in credit impairment losses of the Group from approximately RMB301.9 million for FY2024 to approximately RMB325.4 million for FY2025, as a result of the actual credit risk profile and previous provisions made.

As at 31 December 2025, total assets of the Group amounted to approximately RMB13,678.6 million, which mainly comprised of (i) loans and advances to customers of approximately RMB1,924.3 million; (ii) debt investments of approximately RMB4,245.3 million; (iii) long-term equity investments of approximately RMB 670.3 million; (iv) financial assets held for trading of approximately RMB4,418.2 million; (v) other equity instrument investments of approximately RMB314.6 million; (vi) monetary assets of approximately RMB164.1 million; and (vii) financial assets purchased under resale agreements of approximately RMB547.1 million. As at 31 December 2025, total liabilities of the Group amounted to approximately RMB2,436.4 million, which mainly comprised of (i) other liabilities of approximately RMB2,170.1 million, (ii) employee benefits payables of approximately RMB139.4 million (iii) provisions such as litigation compensation of approximately RMB60.1 million, and (iv) taxes payable of approximately RMB55.8 million. Other liabilities mainly comprised of net assets attributable to third-party trust beneficiaries of consolidated structured entities of approximately RMB703.7 million and non-current funds provided by CTPF of RMB700 million.

(ii) Information on Lucion Group

Lucion Group is a limited liability company established on 31 January 2002 in the PRC, which is an investment holding company and an investment entity and state-owned asset operation agency authorized by the Shandong Provincial Government. Lucion Group is an important entity for the management of state-owned asset investment and financing in Shandong Province, and is mainly engaged in three core business segments, namely natural gas sales and related businesses, financial services and other businesses (including abrasives, printing, water pollution control, etc.). Lucion Group is owned as to 90.75% and 9.25% by the Shandong Province Finance Bureau and Shandong Caixin Assets Operation Co., Ltd. (山東財欣資產運營有限公司), respectively. Shandong Caixin Assets Operation Co., Ltd. is wholly-owned by the Shandong Province Finance Bureau. Lucion Group is the controlling shareholder of the Company.

2. Reasons for and benefits of the entering into of the Loan Framework Agreement and the transactions contemplated thereunder

As disclosed in the Letter from the Board, on 11 September 2025, the NFRA released the newly revised *Administrative Measures for Trust Companies* (《信託公司管理辦法》) (the "**Administrative Measures**"), which came into effect on 1 January 2026.

Before the Administrative Measures took effect in January 2026, the Company could only obtain external financing through the liquidity support loans granted by CTPF or engage in interbank borrowing. However, as explained below, interbank borrowing is short-term in nature and unable to meet the Company's liquidity needs.

According to Article 54 of the Administrative Measures, a trust company may, under its proprietary business, (i) engage in bond repurchase (sell buybacks) and interbank borrowing, (ii) apply for liquidity support loans from or conduct private bond placements with its shareholders and their affiliates, and (iii) apply for liquidity support loans from CTPF. Furthermore, Article 55 stipulates that when conducting proprietary business, trust companies must not incur any liabilities (including bank loans) via any methods other than those specified in Article 54.

The Company currently faces the following practical limitations in utilising these authorised financing channels:

(i) **Bond repurchase (sell buybacks) transactions:** The Company would need to hold eligible bonds that meet market standards for use as collateral to conduct such bond repurchase (sell-buybacks) transactions. However, the Company currently does not hold such eligible bonds under its proprietary business segment. On the other hand, such financing transactions are short-term in nature and are insufficient to satisfy the Company's long-term liquidity needs.

(ii) **Interbank Borrowing:** Pursuant to Article 23 of the *Administrative Measures for Interbank Lending*《同業拆借管理辦法》issued by the People's Bank of China on 3 July 2007, the maximum term for funds borrowed by a trust company is seven days, which is too short to match the company's liquidity needs.

(iii) **Private bond placements with its shareholders and their affiliates:** This requires rigorous regulatory approval and market filing procedures. This route is overly complex and time-consuming, failing to meet the Company's liquidity needs in a timely manner.

Based on the abovementioned, the Company may only conduct debt financing by applying for liquidity support loans from CTPF or shareholders as stipulated in the Administrative Measures for Trust Companies, and is unable to replenish liquidity through bank loans, public bond issuance, or similar means. As such, the "financing cost of the relevant subsidiary" of the Company would refer to the rate offered by CTPF to the Company. The Company has compared the interest rate determined under the Loan Framework Agreement with the rate offered by CTPF and has noted that the rate offered by Lucion Group under the Loan Framework Agreement is lower than the rate offered by CTPF under the current market conditions.

Due to extremely limited financing channels, there are no direct comparable public market prices for the pricing of the loan interest rate, and the Group has been obtaining financing solely from CTPF in order to support its daily liquidity funding needs in the previous years. Accordingly, leveraging the background of Lucion Group, which is in turn wholly-owned by Shandong Province Finance Bureau, the entering into of the Loan Framework Agreement and the transactions contemplated thereunder would allow the Group to diversify its financing sources beyond CTPF in accordance with the aforementioned laws and regulations in the PRC, providing the Group with greater flexibility to evaluate and select more favourable financing terms among the available loan providers (including Lucion Group).

Based on the above, the Directors are of the view, and we concur, that the entering into of the Loan Framework Agreement and the transactions contemplated thereunder, which are in the ordinary and usual course of business of the Company, are in the interests of the Company and the Shareholders as a whole.

3. The Loan Framework Agreement

As disclosed in the Letter from the Board, on 13 February 2026, the Company entered into the Loan Framework Agreement with Lucion Group for a term from the effective date of the Loan Framework Agreement until 31 December 2028. The outstanding financing (including accrued interest) under the Loan Framework Agreement shall not exceed RMB1,200 million. Pursuant to the Loan Framework Agreement, the interest rate of the Loan to be charged by Lucion Group shall be determined based on a benchmark not lower than the average financing cost of Lucion Group at the time each Loan is granted, plus a certain percentage of mark-up on top of such benchmark, being 70% of the difference between the latest quotation of one-year liquidity support loan from CTPF at the relevant time and the average financing cost of Lucion Group. As credit enhancement measures, the Company provides a pledge guarantee for its obligations to repay the principal and interest accrued thereupon of the borrowings under the Loan Framework Agreement, using the A shares of China Zheshang Bank Co., Ltd. ("**CZ Bank**") held by it, which are listed on the Shanghai Stock Exchange (stock code: 601916). The quantity of pledged shares is determined based on the actual principal amount of the Loan and a pledge rate of no more than 80%. For further details on the principal terms of the Loan Framework Agreement, please refer to the sub-section headed "1. Loan Framework Agreement" of the Letter from the Board.

For the purpose of our analysis, we have enquired with the Management and were given to understands that the individual Loans to be obtained from Lucion Group under the Loan Framework Agreement shall be with a duration of one year. In addition, as confirmed by the Management, the Management and the relevant personnel and departments of the Company shall ensure that the interest rate of the Loan to be charged by Lucion Group under the Loan Framework Agreement in any case shall be no less favourable to the Group than that to be offered to the Group by CTPF at the relevant time in respect of loans with comparable principal amount and duration. Based on the determination basis of the interest rate of the Loan (i.e. loan interest rate = average financing cost of Lucion Group + (latest quotation rate of one-year liquidity support borrowings from CTPF – average financing cost of Lucion Group) x 70%, the interest rate charged by Lucion Group shall always be lower than that offered by CTPF, given that the average financing cost of Lucion is lower than the rate offered by CTPF. In the event that the interest rate of the Loan is higher than that offered by CTPF, the Management confirmed that the Group shall not proceed with the Loan. We further understood from the Management that the basis of determination of the interest rate of the Loan to be charged by Lucion Group pursuant to the Loan Framework Agreement is consistent with the requirements as stipulated in the internal capital management policies of Lucion Group, which is Lucion Group's internal control policy governing all financing arrangements between Lucion Group and its subsidiaries. It is noted that the average financing cost of Lucion Group shall be estimated based on a benchmark not lower than the average financing cost of Lucion Group at the time each loan is granted, plus a mark-up on top which is calculated as 70% of the difference

between the average financing cost of the relevant subsidiary and the average financing cost of Lucion Group. Furthermore, for our due diligence purposes, we have obtained and reviewed the relevant loan agreements and calculation formula from the Management, and after conducting our own calculation of the interest rates based on the loan terms (i.e. principal amount and interests rate), we noted that the Company could save financing costs of (i) approximately RMB18.0 million per year after replacing the existing financing of RMB700 million from CTPF with a loan under the Loan Framework Agreement, estimated based on the difference between interest rate offered by CTPF at the time of grant and the loan's interest rate under the Loan Framework Agreement, which is estimated based on the average financing cost of Lucion Group as of December 2025; and (ii) approximately RMB7.0 million per year for a loan of RMB1,200 million based on the difference between the loan's interest rate under the Loan Framework Agreement, which is estimated based on the average financing cost of Lucion Group as of December 2025, as compared to the current fee rate of one-year liquidity support loans from CTPF. Having considered the aforesaid, the Management is of the view, and we concur, that the interest rate charged under the Loan Framework Agreement is fair and reasonable.

In respect of the credit enhancement measures, we have obtained and reviewed the Loan Framework Agreement, and noted that the pledge rate regarding the A shares of CZ Bank held by the Company to be provided for the pledge guarantee is calculated as follows:

Pledge rate = Actual principal amount of Loan ÷ (Number of pledged shares × Closing price of the pledge shares) × 100%

Based on our discussion with the Management, we noted that the above calculation basis regarding the pledge of A shares has been made reference to the methodology for calculating pledge rates for "Stock-pledge Repo Transactions" ("股票質押式回購交易") as stipulated in the "Measures for the Administration of Stock-pledged Repo Transactions and Registration & Settlement Business" (《股票質押式回購交易及登記結算業務辦法》) (the "**Measures**") issued by the Shanghai Stock Exchange. We have cross-checked the above calculation basis with that included in the said measures issued by the Shanghai Stock Exchange with no discrepancies noted. Whereas under the Measures, securities companies are advised to determine and adjust the thresholds of pledge ratios for the underlying securities based on multiple factors, among others, the evaluation of creditworthiness of borrowers, where the pledge rate limits should not exceed 60%. Taking into consideration that Lucion Group is the controlling shareholder of the Company and its willingness to provide more flexibility and liquidity support to the Company in financing, a higher pledge rate of no more than 80% has been offered by Lucion Group in the credit enhancement measures under the Loan Framework Agreement, which allows the Group to provide pledge guarantee with a relatively lower value as compared to the guarantees required under the aforementioned pledge rates of no more than 60% as referenced to the Measures. As such, the Management is of the view that the higher pledge rate of no more than 80% offered by Lucion Group in the Loan Framework Agreement, as a gesture of support from the controlling shareholder of the Company, is beneficial to the Group.

For due diligence purpose, we have further assessed the fairness and reasonableness of the 80% pledge rate under the Loan Framework Agreement by performing independent desktop research regarding the provision of loan facilities/financial assistance from connected persons to the companies listed on the Main Board of Stock Exchange, with similar credit enhancement measures as in the Loan Framework Agreement. During the period from 1 May 2024 to the Latest Practicable Date, we have, on a best effort basis, identified nine comparable transactions (the "**Comparable Transactions**"). To the best of our knowledge and as far as we are aware of, the Comparable Transactions are considered to be representative and exhaustive. Details of the Comparable Transactions are set out as follows:

Date of announcement	Stock code	Name of company	Nature	Loan amount	Pledge rate
2 November 2025	2202. HK	China Vanke Co., Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB22.0 billion	50% to 70%
30 July 2025	2202. HK	China Vanke Co., Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB869.0 million	50% to 70%
7 July 2025	2202. HK	China Vanke Co., Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB1,552.0 million	70%
21 May 2025	2202. HK	China Vanke Co., Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB4,200.0 million	70%
11 April 2025	1528. HK	Red Star Macalline Group Corporation Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB9,500 million	45% to 75%
10 February 2025	2202. HK	China Vanke Co., Ltd.	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to RMB2,800.0 million	70%
14 October 2024	1522. HK	BII Railway Transportation Technology Holdings Company Limited	Substantial shareholder of the company agreed to provide loan to the company under the loan framework agreement	Up to HK$255.0 million	Approximately 83.3%
8 October 2024	6839. HK	Yunnan Water Investment Co., Limited	Controlling shareholder of the company agreed to provide loan to the company under the loan framework agreement	First Loan: Approximately RMB1,243.1 million Second Loan: principal amount of RMB130.0 million	Approximately 175% *(note)*
30 September 2024	1030. HK	Seazen Group Limited	Associate of the company's controlling shareholder agreed to provide loan to the company under the loan framework agreement	RMB1,000.0 million	No more than 60%

Note: Such pledge rate has been excluded from the analysis as it appears to be abnormally higher as compared to the rest of the Comparable Transactions and is considered as an outlier which may skew the overall results.

As illustrated in the above table, excluding the outlier, the pledge rates of the eight Comparable Transactions ranged from approximately 45% to 83.3%, with an average of approximately 67%. It is noted that the 80% pledge rate of the Loan Framework Agreement is (i) above the average; and (ii) close to the high-end of those of the Comparable Transactions. Accordingly, it is considered that the pledge rate charged under the Loan Framework Agreement is generally in line with the market, and thus fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In assessing the fairness and reasonableness of the terms of the Loan Framework Agreement, considering that no historical transactions have been conducted by the Group with Lucion Group in relation to obtaining of loans, we have primarily made reference to the relevant internal control measures to be implemented by the Group.

Internal control measures

We understood that when conducting financing activities, the Company will take into account several factors, including but not limited to: (i) interest rate offers from available financing sources (i.e. Lucion Group and CTPF); (ii) necessary credit enhancement measures for financing, such as guarantees or collateral requirements; (iii) how well the financing term aligns with the Company's operational needs; and (iv) the timing of principal and interest repayments. After thoroughly evaluating these considerations, the Company will choose the financing option that is most beneficial. In cases where interest rates, credit enhancement measures, financing terms, financing amounts, and other elements are the same or very similar, the Company will prioritise financing from CTPF to minimise connected transactions. In case that the Company decides to seek financing from Lucion Group under the Loan Framework Agreement, the Company will ensure that the terms obtained from Lucion Group at the relevant time are more beneficial to the Company as compared to the terms offered by CTPF, and that the transactions with Lucion Group will be conducted in accordance with the terms under the Loan Framework Agreement. In terms of the pledge requirements under the Loan Framework Agreement, since the pledge rate under the Loan Framework Agreement is no more than 80%, which is higher than the ratio prescribed under the Stock-Pledged Repo Measures, the Company considers that the pledge rate is on normal commercial terms or better in the interest of the Company.

The Management has confirmed that the Company has implemented internal control procedures and policies on connected transactions to monitor connected transactions and ensure that all connected transactions are entered into in accordance with the pricing policies, fair and reasonable and in the interests of the Company and the Shareholders as a whole:

(i) Based on the internal control measures and policies implemented by the Company, among others, prior to the obtaining of each individual Loan under the Loan Framework Agreement, the finance department of the Company shall be responsible for obtaining the latest quotation from the eligible independent loan provider, i.e. CTPF, for loan with comparable aspects in order to ensure that the terms of the Loan to be charged under the Loan Framework Agreement shall be no less favourable to the Group than that to be offered by CTPF;

(ii) a multi-tiered approval system will be adopted by the Group such that the terms and the obtaining of the Loans under the Loan Framework Agreement shall be subject to approval via the general manager's office meeting of the Company, as well as the approval by each of the risk control department, compliance department, chief risk officer, chief financial officer and the general manager of the Company, thereby preventing any personnel or department from gaining complete control over the pricing and approval processes and reducing the risks of frauds and errors;

(iii) the Company has prepared and implemented the Measures for Management of Related Party Transactions which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Company with applicable laws and regulations (including the Listing Rules) in relation to connected transactions;

(iv) upon each drawdown and renewal (if necessary), the Company shall fulfill the relevant approval procedures in accordance with the provisions of the Company's policies, such as the General Manager's Office meeting of the Company, and after fulfilling the business and contract approval procedures of the Company, enter into the corresponding loan agreement(s) with Lucion Group;

(v) the finance management department and office of the Board of the Company will closely monitor the loans under the Loan Framework Agreement on a daily basis to ensure that they are conducted in accordance with the terms of the Loan Framework Agreement (including but not limited to the pricing mechanisms and the pledge rate). They will also monitor the transaction amounts under the Loan Framework Agreement and interest payable from time to time so as to ensure that the loan amounts will not exceed the proposed annual caps for each financial year. The Company will set an alert amount (i.e. RMB1,000 million) when the amount is about to reach the annual cap in case that the total transaction amount is expected to exceed such annual caps, so that the Company could timely re-comply with the requirements under Chapter 14A of the Listing Rules; and

(vi) the Company shall, in accordance with laws and regulations, the Accounting Standards for Business Enterprises and relevant regulatory requirements, account for the borrowings from Lucion Group in the financial statements of the Company, and make disclosures in documents such as annual reports and interim reports in accordance with the Listing Rules. In addition, the external auditors of the Company will review the transactions contemplated under the Loan Framework Agreement on an annual basis to check and confirm, among other things, whether the transactions have been entered into in accordance with the pricing terms and whether they have exceeded the Proposed Annual Caps;

For further details on the internal control measures adopted by the Group, please refer to the sub-section headed "6. Internal control measures" of the Letter from the Board.

In order to assess the internal control measures, we have carried out the following procedures:

(i) we have reviewed the Measures for Management of Related Party Transactions which sets out, among other things, the relevant requirements for and identification of connected transactions, the responsibilities of relevant departments in conducting and managing connected transactions, reporting procedures and ongoing monitoring, with a view to ensuring compliance of the Company with applicable laws and regulations (including the Listing Rules) in relation to connected transactions;

(ii) due to the fact that no historical transactions have been conducted by the Group with Lucion Group in relation to obtaining of loans, no past internal approval records of which are available. Nonetheless, we have obtained and reviewed past internal approval records of the Group on other connected transactions conducted with the Lucion Group as reference to demonstrate the relevant internal control measures as set out in the Measures for Management of Related Party Transactions are in place and effectively implemented by the Group. We have, on a random selection basis, obtained and reviewed a total of 43 samples of internal approval records of the Group of the previous years, on other types of connected transactions conducted between the Group and Lucion Group (for itself and on behalf of its associates), comprising 16, 16 and 11 samples for the years ended 31 December 2023, 2024 and 2025, respectively. We consider the sample size to be sufficient and representative, taking into account these samples (a) accounted for not less than 50% of the aggregate value of all the connected transactions conducted between the Group and Lucion Group (for itself and on behalf of its associates) in each of the respective years; and (b) accounted for not less than 50% of the total number of internal approval records regarding connected transactions between the Group and Lucion Group (for itself and on behalf of its associates) for each of the respective years. Based on the samples obtained and reviewed, with no discrepancies noted, we are of the view that such internal control measures have been implemented and are in place. Furthermore, as confirmed by the Management and the auditors of the Company, such internal control measures have been implemented and in place since the listing of the Company's shares on the Hong Kong Stock Exchange;

(iii) we have confirmed with the Management that the Company will, in accordance with laws and regulations, the Accounting Standards for Business Enterprises and relevant regulatory requirements, account for the borrowings from Lucion Group in the financial statements of the Company, and make disclosures in documents such as annual reports and interim reports in accordance with the Listing Rules; and

(iv) we have confirmed with the external auditors of the Company that, they will review the transactions contemplated under the Loan Framework Agreement on an annual basis to check and confirm, among other things, whether the transactions have been entered into in accordance with the pricing terms and whether they have exceeded the Proposed Annual Caps, which are considered as part of the standard audit procedures being performed during audit in accordance with Hong Kong Standard on Assurance Engagements 3000 and with reference to Practice Note 740.

Based on the aforementioned, we consider that the Group has adequate internal control policies and procedures effectively in place to ensure that the transactions under the Loan Framework Agreement would be contemplated in accordance with the pricing terms of the Loan Framework Agreement and the Proposed Annual Caps would not be exceeded.

Accordingly, taking into account that (i) the interest rate of the Loan to be charged by Lucion Group under the Loan Framework Agreement in any case shall be no less favourable to the Group than that to be offered to the Group by CTPF at the relevant time in respect of loans with comparable principal amount and duration; and (ii) internal control measures have been adopted by the Group to govern the conduct of the transactions under the Loan Framework Agreement, in particular, prior to the obtaining of each individual Loan, the finance department of the Company shall obtain the then latest quotation from the independent loan provider, i.e. CTPF to ensure that the terms charged under the Loan Framework Agreement shall be no less favourable to the Group that those offered by independent loan providers, we are of the view that the terms of the Loan Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned.

4. Proposed Annual Caps

The Proposed Annual Cap amounts to RMB1,200 million for each of the three years ending 31 December 2028.

In anticipating the expected amount of Loans to be obtained from Lucion Group as a replacement for the Group's existing financing with CTPF, the Management has primarily made reference to the loan profile of the Group with CTPF.

In assessing the fairness and reasonableness of the determination of the Proposed Annual Caps, we have enquired with the Management regarding the breakdown of the Proposed Annual Caps, and understood that the Proposed Annual Caps were primarily determined with reference to:

a) the expected amount of Loan to be obtained from Lucion Group in replace of the existing financing of the Group with CTPF; and

b) the expected amount of Loans to be required by the Group to supplement its daily liquidity funding needs during the three years ending 31 December 2028.

For our due diligence purpose in deriving a comprehensive analysis with sufficient underlying documents to ensure the completeness of our review, with the fact that the Management has determined the Proposed Annual Caps primarily based on the loan profile of the Group with CTPF, we have performed the following verification procedures:

(i) we have obtained and reviewed a comprehensive loan summary from the Management, which sets out the details of all loans provided by CTPF to the Company in respect of the aforesaid financing for the purpose of supplementing the liquidity and meeting the capital requirement for the Group's day-to-day operations during the three years ended 31 December 2025. To ascertain the accuracy and completeness of the loan summary, we have cross-checked the total amount of borrowings as at the three years ended 31 December 2025 with the corresponding balance with CTPF as disclosed in the annual reports of the Company, and noted the amounts are tallied with no discrepancies; and

(ii) based on loan summary, instead of performing our document inspection on a sampling basis, we have requested from the Management and obtained all the corresponding loan agreements entered into between the Company and CTPF during the three years ended 31 December 2025. Accordingly, we have reviewed 12 loan agreements, which represented 100% of the loan agreements attributable to all the financing provided by CTPF to the Company during the three years ended 31 December 2025.

Based on the documents obtained, for the purpose of analysis, we have compared (i) the aggregate principal amounts of the borrowings from CTPF to the Company; and (ii) the Proposed Annual Cap for the respective year.

Based on the comparison, we noted that (i) the aggregate underlying principal amounts of the borrowings from CTPF amounted to approximately RMB975.0 million, RMB982.0 million and RMB700.0 million, respectively, as at 31 December 2023, 2024 and 2025, which represented substantial portions of over 81%, 81% and 58% of the Proposed Annual Cap for each of the three years ending 31 December 2028, respectively; and (ii) the maximum aggregate underlying principal amounts of the borrowings from CTPF amounted to approximately RMB975.0 million, RMB1,250.0 million and RMB980.0 million, respectively, for the three years ended 31 December 2025, which represented substantial portions of over 81%, 104% and 81% of the Proposed Annual Cap for each of the three years ending 31 December 2028, respectively. Further, we have estimated the maximum annual liquidity funding needs of the Group based on the average of the maximum aggregate principal amounts of the borrowings from CTPF for the three years ended 31 December 2025, which amounted to approximately RMB1,060.0 million, representing substantial portions of the Proposed Annual Caps for each of the three years ending 31 December 2028 of approximately 88%, respectively. Taking into account the substantial portions represented by the aforementioned amounts to the Proposed Annual Caps, in particular, the portions of the Group's estimated maximum annual liquidity funding needs of approximately 88%, we consider that the Proposed Annual Caps are reasonably determined.

While we noted that the aforesaid financing with CTPF will expire in 2027, we have confirmed with the Management that the financing currently demanded by the Group from CTPF would be gradually replaced by those to be provided by Lucion Group under the Loan Framework Agreement throughout 2026, and the Company intends to maintain such level of financing following the replacement throughout the three years ending 31 December 2028.

On the other hand, we have reviewed the 2024 Annual Report and 2025 Annual Report to understand the needs of liquidity support of the Group.

The Company requires liquidity to replenish its working capital, cover its operating and administrative expenses from time to time, and fund other expenditures to improve its information and technology system architecture. According to the 2025 Annual Report, we have noted that cash and cash equivalents of the Group as at 31 December 2025 has significantly decreased from approximately RMB476.7 million as at 31 December 2024 to approximately RMB160.7 million as at 31 December 2025, which comprised bank deposits of approximately RMB72.5 million and deposits with securities companies of approximately RMB88.2 million. According to the discussion with the Management, the decrease in cash and cash equivalents was driven by the Company's efforts to enhance the synergy between its proprietary and trust businesses, which involved deploying proprietary funds to invest in trust schemes issued by the Company. As at 31 December 2025, bank deposits attributable to the consolidated structured entities amounted to approximately RMB50.0 million, which belong to trust assets.

According to the 2024 Annual Report and 2025 Annual Report, we have further noted that we have further noted that the business and administrative expenses of the Group, which mainly comprised employee expenses, legal and professional fees, network fees, promotional expenses and lease charges, amounted to approximately RMB269.1 million, RMB294.9 million and RMB289.9 million for FY2023, FY2024 and FY2025, respectively. These funds were primarily utilised to cover routine expenditures, such as staff remuneration, office overheads and business development costs required for day-to-day operations. For the year ended 31 December 2025, the Company recorded staff remuneration expenses of approximately RMB172.0 million, office overheads of approximately RMB24.0 million, and business development costs of approximately RMB94.0 million. The Company expects its operating and administrative expenses to remain stable in the coming financial years.Based on our understanding with the Management and the liquidity funding needs of the Group in the previous years, it is anticipated that the Proposed Annual Caps under the Loan Framework Agreement will be beneficial to the Group by providing additional funding resources to support its upcoming liquidity and capital requirements as well as its ongoing business development.

Furthermore, as disclosed in the Letter from the Board and the 2025 Annual Report, pursuant to the *Several Opinions on Strengthening Supervision, Preventing Risks, and Promoting High-Quality Development of the Trust Industry* issued by the NFRA, trust companies are required to strengthen their investment, research and wealth management capabilities, whilst enhancing the supporting role of information technology. Against this backdrop, we have noted that the Company plans to continuously increase its technology investment over the coming years, with an estimated expenditure of approximately RMB150.0 million (estimated budgeting of approximately RMB50.0 million on a yearly basis) and the following allocations:

1) System Construction and Technological Support for Key Business Sectors (Estimated Expenditure: RMB75 million)

   The Company intends to focus on the core areas of service trusts and wealth management by building professional, standardised technological platforms to support business scaling and innovative growth. Specific initiatives include developing a comprehensive service platform for family trusts, an administrative service trust system, a support platform for bankruptcy reorganisation service trusts, and a digital wealth management and intelligent marketing middle-office.

2) Intelligent Risk Control, Compliance, and Data Governance System (Estimated Expenditure: RMB45 million)

   The Company aims to establish a risk and compliance management system centered on data-driven, intelligent "tech-driven prevention" and proactive early warnings. Specific initiatives include constructing an intelligent Anti-Money Laundering (AML) rule engine and platform, an enterprise-level data governance and security system, and a comprehensive risk management and compliance technology platform.

3) Investment and Application Exploration of AI Technology (Estimated Expenditure: RMB20 million)

The Company will leverage AI as a core empowering technology to improve operational efficiency, optimise customer experience, and drive business innovation. Specific initiatives include building AI capability platforms and infrastructure, launching AI application pilots tailored for specific business scenarios, and advancing AI research and development (R&D) alongside targeted talent cultivation.

4) IT Talent Pool Construction and Routine R&D (Estimated Expenditure: RMB10 million)

The Company will allocate these funds to secure the core human capital and continuous innovation vitality required to ensure the successful, long-term implementation of its corporate strategies.

For due diligence purpose, we have obtained and reviewed the business plan of the Company regarding the planned technology investment with the details of estimated expenditure and respective allocations as abovementioned.

Taking into account the abovementioned, in particular, (i) based on the comprehensive loan summary and all the corresponding loan agreements entered into between the Company and CTPF obtained and reviewed by us; (ii) our analysis by comparing the aggregate underlying principal amounts of borrowings from CTPF as at the end of the previous three years and the maximum aggregate underlying principal amounts of borrowings from CTPF in the previous three years, respectively, to the Proposed Annual Cap for each of the three years ending 31 December 2028; (iii) the estimated maximum annual liquidity funding needs of the Group of approximately RMB1,060 million per year, which accounted for substantial portions of the Proposed Annual Cap for each of the three years ending 31 December 2028 of approximately 88%; (iv) the anticipated expenditures required for improving the information and technology system architecture of the Group of approximately RMB50.0 million for each of the three years ending 31 December 2028 with the planned allocation as detailed above, which represented approximately 4% of the Proposed Annual Cap for the corresponding period; and (v) the Management's estimate of a buffer of approximately 8% of the Proposed Annual Cap to account for any unexpected increase in funding needs of the Group, for which the incorporation of a buffer of not more than 10% in the proposed annual caps to account for any unexpected increase in demand is considered to be a common practice among listed companies in Hong Kong as noted from other Hong Kong listed companies' circulars regarding continuing connected transactions, thus we consider the 8% buffer to be fair and reasonable, the Company considers, and we concur, that the bases of determination of the Proposed Annual Caps of RMB1,200 million for each of the three years ending 31 December 2028 under the Loan Framework Agreement are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole.

RECOMMENDATIONS

Having taken into consideration the factors and reasons as stated above, we are of the view that the Loan Framework Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and Independent Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, and we advise the Independent Shareholders, to vote in favour of the ordinary resolution(s) to be proposed at the EGM for approving the entering into of the Loan Framework Agreement and the transactions contemplated thereunder and the Proposed Annual Caps.

Yours faithfully,
For and on behalf of
Lego Corporate Finance Limited
Joshua Liu
Managing Director

Mr. Joshua Liu is a licensed person registered with the Securities and Futures Commission and a responsible officer of Lego Corporate Finance Limited to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong). He has over 25 years of experience in the securities and investment banking industries.

RESPONSIBILITY STATEMENT

This supplemental circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this supplemental circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this supplemental circular misleading.

INTERESTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors, senior management or their respective associates had any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance) which were required (i) to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including the interests or short positions which they were taken or deemed to have under such provisions of the Securities and Futures Ordinance); (ii) to be entered into the register kept by the Company pursuant to section 352 of the Securities and Futures Ordinance; or (iii) to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the Securities and Futures Ordinance, and to the best of the Company's knowledge, the following persons had interests or short positions in the shares or underlying shares of the Company which are discloseable pursuant to Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance, or directly or indirectly owned any class of share capital of the Company of 5% or above:

Name of Shareholder	Class of shares	Nature of interests[1]	Number of underlying shares held[2]	Approximate percentage of the class of underlying shares[2]	Approximate percentage of total share capital[2]
Shandong High-Tech[3]	Domestic Shares	Beneficial owner	225,000,000	6.44%	4.83%
Lucion Venture Capital[3]	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%

Name of Shareholder	Class of shares	Nature of interests[1]	Number of underlying shares held[2]	Approximate percentage of the class of underlying shares[2]	Approximate percentage of total share capital[2]
Lucion Group[3]	Domestic Shares	Beneficial owner	2,242,202,580	64.17%	48.13%
	Domestic Shares	Interest in a controlled corporation	225,000,000	6.44%	4.83%
Shandong Provincial Finance Bureau[4]	Domestic Shares	Interest in a controlled corporation	2,467,202,580	70.61%	52.96%
CNPC Assets Management Co., Ltd.[5]	Domestic Shares	Beneficial owner	873,528,750	25.00%	18.75%
CNPC Capital Company Limited[5]	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
CNPC Capital Joint Stock Company with Limited Liability[5]	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
China National Petroleum Corporation[5]	Domestic Shares	Interest in a controlled corporation	873,528,750	25.00%	18.75%
State-owned Assets Supervision and Administration Commission of Jinan Municipal People's Government[6]	H Shares	Interest in a controlled corporation	252,765,000	21.70%	5.43%
Jinan Finance Holding Group Co., Ltd.[6]	H Shares	Beneficial owner	252,765,000	21.70%	5.43%
Qingdao Global Wealth Centre Development and Construction Co., Ltd.[7]	H Shares	Beneficial owner	232,920,000	19.99%	4.99%
Qingdao Laoshan District Finance Bureau[7]	H Shares	Interest in a controlled corporation	232,920,000	19.99%	4.99%

Name of Shareholder	Class of shares	Nature of interests[1]	Number of underlying shares held[2]	Approximate percentage of the class of underlying shares[2]	Approximate percentage of total share capital[2]
China Create Capital Limited	H Shares	Beneficial owner	64,737,000	10.00%	2.50%
Chang Xin Asset Management Co., Ltd.[8]	H Shares	Trustee	113,263,200	9.72%	2.43%
Shandong Development & Investment Holding Group Co., Ltd.	H Shares	Beneficial owner	51,272,000	7.92%	1.98%
HWABAO TRUST CO., LTD	H Shares	Trustee	35,974,000	5.59%	1.39%

Notes:

(1) All of the interests refer to long positions.

(2) The Company completed the issue of new Shares by way of the transfer of capital reserve to share capital in January 2019. Since the change in number of Shares arising from the capitalisation issue did not constitute reporting obligation pursuant to the Securities and Futures Ordinance, the forms of disclosure of interests of certain Shareholders disclosed on the website of the Hong Kong Stock Exchange do not reflect the impact of the capitalisation issue.

(3) Shandong High-Tech is a direct wholly-owned subsidiary of Lucion Venture Capital. Lucion Venture Capital is a non-wholly owned subsidiary owned as to 67.37% by Lucion Group and therefore is deemed to be interested in all of the Shares held by Shandong High-Tech, and Lucion Group is deemed to be interested in all of the Shares held indirectly by Lucion Venture Capital.

(4) Lucion Group is owned as to 90.75% by Shandong Provincial Finance Bureau and as to 9.25% by Shandong Caixin Assets Operation Co., Ltd. ("**Shandong Caixin**"), and Shandong Caixin is wholly-owned by the Shandong Provincial Finance Bureau. Shandong Provincial Finance Bureau is therefore deemed to be interested in all of the Shares directly and indirectly held by Lucion Group.

(5) CNPC Assets Management is a direct wholly-owned subsidiary of CNPC Capital Company Limited ("**CNPC Capital**") and CNPC Capital is wholly-owned by CNPC Capital Joint Stock Company with Limited Liability ("**CNPC Capital Joint Stock**"). CNPC Capital Joint Stock, which is an A share listed company, is held as to 77.35% by China National Petroleum Corporation (中國石油天然氣集團公司) ("**CNPC**"). Each of CNPC Capital, CNPC Capital Joint Stock and CNPC are therefore deemed to be interested in all of the Shares held by CNPC Assets Management. Mr. Chen Liuyi, a non-executive Director, currently serves as supervisor and the deputy chief economist of CNPC Capital Joint Stock.

(6) To the knowledge of the Company, Jinan Finance Holding Group Co., Ltd. has been renamed as Jinan Finance Investment Holding Group Co., Ltd., and is indirectly wholly-owned by Jinan Finance Bureau.

(7) To the knowledge of the Company, Qingdao Global Wealth Centre Development and Construction Co., Ltd., which has been renamed as Qingdao Jinjialing Holding Group Co., Ltd., is wholly owned by Qingdao Laoshan District Finance Bureau and Qingdao Laoshan District Finance Bureau is therefore deemed to be interested in all of the Shares held by Qingdao Global Wealth Centre Development and Construction Co., Ltd.

(8) Chang Xin Asset Management Co., Ltd. holds the equity of the Shares as a trustee of the trust for the Chang Xin Fund – Dongfang No. 1 Single Asset Management Plan.

DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, each of the controlling shareholders and the Directors confirms that he, she or it does not have any interest in a business, apart from the business of the Company, which competes or is likely to compete, directly or indirectly, with the Group's businesses, which would require disclosure under Rule 8.10 of the Listing Rules.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors confirmed that they are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, being the date to which the latest published audited consolidated financial statements of the Company were made up.

SERVICE CONTRACTS OF DIRECTORS

According to the Articles of Association, the terms of service of the Directors are for three years, and all Directors are subject to re-appointment or re-election upon the expiry of their term. Each of the executive Directors, non-executive Directors, and independent non-executive Directors has entered into a service contract with the Company for a term of three years. As at the Latest Practicable Date, none of the Directors have entered into, or have proposed to enter into, a service contract with the Company (other than contracts determinable by the Company within one year without the payment of compensation (other than statutory compensation)).

INTERESTS IN CONTRACTS/ARRANGEMENTS OF DIRECTORS

Since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

EXPERT AND CONSENT

The qualification of the expert who has given opinions or advice contained in this supplemental circular is as follows:

Name	Qualification
Lego Corporate Finance Limited	a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

Lego Corporate Finance has given and has not withdrawn its written consent to the issue of this supplemental circular with the inclusion of, where applicable, its letter(s) of advices and/or report(s) and/or references to its name in the form and context in which it respectively appear.

Lego Corporate Finance was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group as at the Latest Practicable Date.

Since 31 December 2025 (being the date to which the latest published audited consolidated financial statements of the Company were made up) and up to the Latest Practicable Date, Lego Corporate Finance had no direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

DOCUMENT ON DISPLAY

A copy of the Loan Framework Agreement will be published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.sitic.com.cn) for 14 days from the date of this supplemental circular.

LUCION

Shandong International Trust Co., Ltd.
山東省國際信託股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 1697)

SUPPLEMENTAL NOTICE OF 2025 ANNUAL GENERAL MEETING

Reference is made to the notice of the annual general meeting of Shandong International Trust Co., Ltd. (the "**Company**") dated 10 June 2026 for the year 2025 (the "**Notice**") which sets out the time and venue of the AGM and contains the resolutions to be proposed at the AGM for shareholders' consideration and approval. Unless the context otherwise requires, capitalised terms used herein shall have the same meanings as those defined in the supplemental circular of the Company dated 15 June 2026.

SUPPLEMENTAL NOTICE IS HEREBY GIVEN that the AGM will be held as originally scheduled at Tower A, No. 2788 Aoti West Road, Lixia District, Jinan, Shandong Province, the PRC on Tuesday, 30 June 2026 at 3:00 p.m. for the purpose of considering and, if thought fit, passing the following resolution in addition to the resolutions set out in the Notice:

ORDINARY RESOLUTION

(13) To consider and approve the Loan Framework Agreement and the proposed annual caps under the Loan Framework Agreement.

By order of the Board
Shandong International Trust Co., Ltd.
Yue Zengguang
Chairperson

Jinan, the People's Republic of China
15 June 2026

Notes:

1. Details of the above resolution are set out in the supplemental circular of the Company dated 15 June 2026.

2. A supplemental proxy form in respect of the above resolution is enclosed with the supplemental circular.

3. The supplemental proxy form will not affect the validity of any proxy form duly completed and delivered by you in respect of the resolutions set out in the Notice. If you have validly appointed a proxy to attend and act for you at the AGM but do not duly complete and deliver the supplemental proxy form, your proxy will be entitled to vote at the discretion on the resolution set out in this supplemental notice. If you do not duly complete and deliver the original proxy form for the AGM but have duly completed and delivered the supplemental proxy form and validly appointed a proxy to attend and act for you at the AGM, your proxy will be entitled to vote at the discretion on the resolutions set out in the Notice. If the proxy being appointed to attend the AGM under the supplemental proxy form is different from the proxy appointed under the original proxy form and both proxies attended the AGM, the proxy validly appointed under the supplemental proxy form shall be designated to vote at the AGM. If a shareholder of the Company wishes to provide specific instruction to his proxy(ies) regarding the voting of all resolutions set out in the proxy form and the supplemental proxy form, he should duly complete and submit both proxy forms in accordance with the instructions set out therein.

4. The supplemental proxy form together with proxy form with the power of attorney or other authority (if any), shall be deposited at the Company's H Shares registrar (for holders of H Shares) or at the address of the Office of the Board (for holders of Domestic Shares) not less than 24 hours before the time appointed for holding the AGM or any adjourned meeting (i.e. by 3:00 p.m. on Monday, 29 June 2026). If the instrument appointing the proxy is signed by a person authorised by the appointor, the power of attorney or other document of authority under which the instrument is signed shall be notarised. The notarised power of attorney or other document of authority shall be deposited together and at the same time with the instrument appointing the proxy at the Company's H Shares registrar or at the address of the Office of the Board of the Company (as may be applicable).

5. Please refer to the Circular and the Notice for details in respect of other resolutions to be proposed and tabled before the AGM, eligibility for attending the AGM, registration procedures for attending the AGM, appointment by proxy, voting by way of poll and other relevant matters.

As at the date of this supplemental notice, the Board comprises Mr. Yue Zengguang as executive Director; Mr. Chen Liuyi and Mr. Chen Xuebin as non-executive Directors; Mr. Zheng Wei, Ms. Zhang Haiyan and Ms. Liu Wanwen as independent non-executive Directors.